

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 267 – SB 263

March 1, 2017

SUMMARY OF ORIGINAL BILL: Authorizes a chartering authority, beginning in the 2018-2019 academic year, to charge a fee of \$2,500 per charter school application received. Requires chartering authorities to adopt national authorizing standards for use in reviewing charter school applications. Authorizes local education agencies (LEAs) to receive an annual authorizer fee up to three percent of the charter school's per student funding if the LEA is the charter school's authorizer. Requires such fee to be used to pay expenses related to performing authorizing obligations and responsibilities and any unused portion to be returned to the charter schools.

FISCAL IMPACT OF ORIGINAL BILL:

Increase Local Revenue – \$8,162,600

SUMMARY OF AMENDMENT (003823): Deletes all language after the enacting clause. Authorizes a chartering authority to collect an application fee up to \$2,500 from perspective charter schools.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase Local Revenue – \$78,000/Local Education Agencies

Assumptions for the bill as amended:

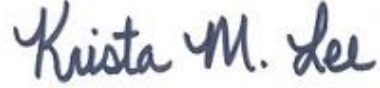
- No change in Basic Education Program (BEP) funding formula.
- The Department of Education (DOE) has indicated that it was notified of 39 schools that intend to file charter applications for the 2017 academic year. This number is assumed to remain constant into perpetuity.
- Currently, LEAs receive \$500 for a charter school application fee.
- The bill authorizes chartering authorities to increase the charter application fee by an amount up to \$2,000.
- It is assumed that LEAs will increase the fee by \$2,000 up to the maximum \$2,500 threshold.

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- The recurring increase in revenue to LEAs from the increase in the application fee is estimated to be \$78,000 (\$2,000 x 39).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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